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Croatia

Livestock and Products

Pork Market Brief--Update

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Approved by:

Sarah Hanson
U.S. Embassy

Prepared by:

Andreja Misir

Report Highlights:

Croatia utilizes various disease related import bans and restrictions (hog cholera, BSE, FMD, Trichinosis) to protect domestic producers from imports. In 2002, imports amounted to US \$39.9 million, an 11 percent increase over 2001. Most of the 2002 imports were for the meat processing industry. U.S. suppliers are unable to export legally to Croatia because there is no negotiated USDA/FSIS export certificate agreement. The main obstacle to reaching such an agreement is Croatia's federal law requiring Trichinosis testing for all shipments. The Government of Croatia does not recognize cold storage as a treatment against Trichinosis.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Vienna [AU1]
[HR]

Current situation

Croatian meat processors import significant quantities of pork because of an overall deficit in quality domestic products. Foreign suppliers are preferred because domestic supplies are unreliable, and there are often problems with excess fat. Obsolete breeding technology and outdated genetics are the cause of most of the quality problems. Each January Croatia has a surplus of pigs from small family farms that meat processors do not like to buy because of excess fat.

Croatia's hog sector began to experience production declines in 1991, and the sector has never recovered. Currently, domestic pork production meets about 80 percent of market needs. Croatia produces 85,000 to 90,000 MT of pork per year. Total consumption is estimated at about 110,000 MT per year, with imports accounting for roughly 20,000 MT per year. Per capita consumption of fresh pork in 2001 was about 18kg. Total pork consumption is predicted to grow to 138,000 MT by 2005.

Croatia had an outbreak of hog cholera in the area of Banija in 2002. To prevent the spread of the disease and to protect domestic pork production, the following measures were undertaken:

- At the end of 2002, imports and transshipments of pork, pork products, and live pigs from Romania were banned;
- In 2002, the import and transshipments of cattle, sheep, goats, pigs and their products were banned due to FMD concerns from all countries except: Albania, Australia, Austria, Belgium, Bosnia and Herzegovina, Bulgaria, Cyprus, Czech, Chile, Denmark, Estonia, Finland, France, Greece, Guyana, Guatemala, Haiti, Honduras, Indonesia, Ireland, Israel, Italy, Japan, Canada, Korea, Costa Rica, Cuba, Latvia, Luxembourg, Madagascar, Hungary, Macedonia, Malta, Mauritius, Mexico, Netherlands, Norway, New Caledonia, New Zealand, Germany, Panama, Poland, Portugal, Romania, Salvador, Singapore, United States of America, Slovakia, Slovenia, Spain, Sweden, United Kingdom, Ukraine, Vanuatu.
- As of June 10, 2003, imports of live cattle, sheep, goats, hogs, poultry, fish and products originating from these animals are banned from the Category I and II countries under GBR assessed by SSC because of BSE fears (this is an obvious attempt by the Croatian Government to protect domestic producers from imports.) The ban is not applied on shipments from: Austria, Belgium, Denmark, Finland, France, Greece, Republic Ireland, Italy, Luxembourg, Netherlands, Germany, Portugal, Slovenia, Spain, United Kingdom, and North Ireland where BSE cases have been discovered. The import ban does not apply to shipments of cattle, sheep, goat and products from Bulgaria and Romania. The ban is not applied if the Croatian Ministry of Agriculture can receive confirmation from some official export body that the shipped animals were not fed with animal proteins other than fish meal for feed (except in ruminant feed, milk and milk products, gelatin that does not originate from ruminant animals, and di-calcium phosphates and hydro isolated protein that did not originate from farm house debris).

Most 2002 imported products fell under the following categories:

HS 0203295530 (de boned back) \$10.4 million and
HS 02032915 (breasts with under belly) \$ 6.8 million.

According to recent trade data, total pork imports were \$39.9 million. This amount represents an 11 percent increase in import value compared with 2001, despite the import bans. The biggest suppliers of pork for Croatia are: Hungary, Germany, Netherlands, Denmark, and Austria. Currently, U.S. exporters may not ship to Croatia, in part, because there is no negotiated USDA/FSIS meat export certificate. The Croatian government requires

trichinosis testing for pork imports despite the fact that freezing has been proven to be an effective control. There are ongoing negotiations between USDA and the Croatian Ministry of Agriculture to modify the Trichinosis statement that is currently required for pork imports.

Pork Tariffs

Country	Custom Rate/Tariff
Bosnia and Herzegovina	free import
EU	quota 7,665 MT tariff rate quota 80% of MFN custom rate outside of quota MFN
Macedonia HS 020312,020322, 020329	Quota 300MT quota custom rate 0% custom rate outside of quota 50% of MFN
Slovenia	quota 100MT quota custom rate 10% custom rate outside of quota MFN
Bulgaria, Czech, Hungary and Slovakia	25%
The rest of the world (including the United States)	Ranges: from 8.8+54.7_/100 kg Max 39 (for HS: 02031911, 02031913, 02031955, 02031959, 02031990) to 10+59.3_/100 kg Max 40.6 (for HS02031211)

* applied tariff rates may change, so please consult www.carina.hr

Croatian pork exports are negligible. In 2001, there were no pork exports from Croatia. In 2002, Croatia exported US \$218,742 to Italy, Hungary, Holland, and Germany. Exports of Croatian pork are blocked because Croatia has no hog cholera vaccination program. This is mandatory in EU. The EU is also afraid of trichinosis in Croatian pork (see HR3003).

The government would like to transform Croatia into a pork exporter, but it has not elaborated on how this goal will be accomplished. There are some indications that a protective price for pork may be established.